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Big Corporations, Investors Scooping Up Vast Swaths of Nebraska Farmland

Out-of-state corporate farming operations and investors spent $246 million on Nebraska farmland over the past five years, the most of any buyer type. Their deep pockets contribute to spiraling land prices that make expansion impossible for many local farmers.

By **Investigate Midwest**

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By Yanqi Xu and Destiny Herbers, Flatwater Free Press

There's never a Black Friday discount when a piece of Nebraska farmland hits the market in 2023, be it a fertile field in the Platte River Valley or a vast swath of Sandhills pastureland.

The market's hot. And corporate farms, both in-state and out, are dipping into their deep pockets to claim the increasingly pricey agricultural land they desire.

The nine buyers who spent the most money on Nebraska farmland in the past five years are all corporate farming operations, real estate developers or investment firms, an analysis by the Flatwater Free Press found.

Jeff Burnett runs one of them. He keeps his eyes peeled for listings of Nebraska farm and ranch land from his home near Cheyenne, Wyoming.

His livestock and cattle operation recently paid $20 million for nearly 28,000 acres of ground in Keith County and Arthur County on the southern edge of the Sandhills.

That massive purchase made Burnett's Wyoming-based operation the second-largest buyer of Nebraska land, by acre, in the past five years.

Ranch hand Mike Goodman, left, and ranch manager Frank Thompson ride through the prairie grass on a ranch located north of Keystone, Nebraska. The ranch, owned by a Wyoming-based ranching operation run by Jeff Burnett, recently paid $20 million for nearly 28,000 acres of land on the Sandhills' southern edge. A Flatwater Free Press analysis of five years of land sales shows that four of the top five buyers of land by acre are headquartered outside Nebraska. Photo credit: Ryan Soderlin for the Flatwater Free Press.

And, increasingly, small local farmers like Bill Alward strike out. Alward moved to his wife's native Nebraska a few years ago and started a small operation, where he raises dozens of cattle and hogs near Fort Calhoun.

He's trying to expand. He can't afford it.

“There were some tracts that were available when we first moved here, and I kind of regret not pursuing those because now it's completely off the table,” Alward says. “I mean, the price per acre … it's insanity. There's no way we can make that pencil out.”

The average price of Nebraska farmland has shot up 41% since 2018, to a record-high $3,835 per acre, according to a University of Nebraska-Lincoln (UNL) annual survey.

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The buyers of that land — especially the biggest chunks — include multinational corporations, out-of-state corporate farms and investors who live hundreds or thousands of miles away, according to five years of land sales gathered by a UNL data journalism class and analyzed by the Flatwater Free Press.

Seven of the top 10 buyers who spent the most money in the past five years — often for pricier farm ground or suburban development — are located outside Nebraska, the analysis shows.

Together, these seven out-of-state owners spent $246 million on Nebraska land.

“Investors are competitively bidding it, alongside of area farmers and ranchers. And so these investors, to some degree, would cause some of that increase in price,” said Adam Pavelka, a Hastings broker and farm manager for Agri Affiliates, a Nebraska farm real estate agency.

The Flatwater Free Press spent months analyzing 12,700 sales of Nebraska farmland and ranch land made in the open market between 2018 and 2022, then chopping through a thicket of limited liability companies that often hide the actual buyer.

Among the findings:

- The single biggest buyer scooping up the largest amount of ag land in Nebraska is the Church of Jesus Christ of Latter-day Saints, commonly known as the Mormon Church, through a nonprofit tied to a P.O. box in Utah.
- Great Plains Farms, headquartered in North Carolina, spent $65 million on land in Cherry, Dawes, and Sheridan counties in the northwest part of the state. Belltown Farms, which ranks No. 2 in sale amount, is an organic farming company with operations in Illinois, Michigan, New York and Texas.
- Gov. Jim Pillen's company Platte Center West was among the top spenders after acquiring hog farms, most in eastern Nebraska and some previously owned by The Maschhoffs, an Illinois-based corporate pork producer. The sale amount included buildings and other infrastructure in addition to the land itself.
- Some of the land purchased will no longer be farmland. The sales data show real estate developers acquiring farmland near Nebraska cities and towns to build homes and apartments. Tech companies like Facebook and Google have invested millions to turn land originally zoned agricultural into data centers.
- Oft-rumored foreign buyers of Nebraska land like China did not appear in the land sales data, but buyers from Canada and subsidiaries of several multinational corporations, including shipping behemoth ULINE, are among the top buyers of land.

There are caveats to these conclusions. The state property sales data, compiled from county assessors' transaction records and provided by the Nebraska Department of Revenue, contain errors. The records sometimes list the incorrect sale amount.

There are sometimes duplicate records, potentially inflating the total amount paid. Reporters at the Flatwater Free Press manually corrected some data points for top buyers, but could not identify and weed out all data entry errors.

However, the data still offer insight into where these buyers are from.

Four of the five biggest buyers who acquired the most acres — often ranch land — in open-market sales are large-scale, multi-state operations headquartered in Utah, Wyoming, Wisconsin and North Dakota.

Out-of-state individuals and companies still make up less than 10% of the total number of buyers of Nebraska land in the past five years.

But out-of-state buyers are more prominent at the highest levels: Nearly a third of the top 100 buyers who bought the most land and paid the most in that time frame were people or companies from outside Nebraska.

This series, “Who's Buying Nebraska?” dives into the massive farmland purchases by churches, foreign companies and other notable buyers like billionaires like Bill Gates and Ted Turner.

Through the analysis, interviews with experts, landowners, interested buyers and Nebraska farmers and ranchers, the Flatwater Free Press seeks to answer who's buying land, why, and how these purchases shape the reality of modern Nebraska agriculture.

Bill Alward, 37, feeds his hogs at his farm located near Fort Calhoun. Photo credit: Ryan Soderlin for the Flatwater Free Press

Cattle on the Alward family farm. Bill Alward, who farms near Fort Calhoun, sells his hogs and cattle directly to local consumers. Photo credit: Ryan Soderlin for the Flatwater Free Press

Spiraling land prices are of course good for sellers. But the reality is that many buyers who can afford to pay the highest farmland prices don't themselves plant soybeans, brand cattle or harvest corn.

“Most people can get pretty much the same price for grain, but where competition plays out is who can bid most aggressively for land,” said Chuck Hassebrook, former director of the Center for Rural Affairs. “So it is the price of land that keeps ordinary folks out.”

For as long as there has been Nebraska farmland for sale, there have been land barons scooping it up.

William Scully, an Irish citizen and one of the original foreign owners of Nebraska land, bought up and leased more than 65,000 acres of farmland in Gage and Nuckolls counties in the 1880s, soon after the U.S. government began to push Native Americans off their traditional land while encouraging white settlers to farm Nebraska.

Starting in 1888, a cattleman named Bartlett Richards claimed, bought and in some cases illegally fenced an estimated 500,000 acres of Sandhills ranch land while co-founding the iconic Spade Ranch.

But even as land barons like Richards and Scully became rich and infamous, it remained possible for Nebraskans to make a living on small plots of land that they owned and passed through generations.

Top farmland buyers by value

Hooper-area farmer Sharon Thernes, 85, remembers that her father raised a family of four children on 80 acres. He grew crops and raised cows, chickens and pigs on that land.

Today, she says, it would take 10 times as many acres to support a family of that size. And that land today would be lined almost exclusively with row crops, she said.

Technology spurred this transition to specialized monocropping and concentrated livestock production, says Bruce Johnson, retired UNL agricultural economics professor who started and ran the Nebraska Farm Real Estate Report survey for nearly 40 years.

It's one reason, he said, why farm and ranch operations are expanding in size while dwindling in number.

Johnson started noticing this trend toward bigger and fewer ag operations in the 1970s, even before he began surveying farmland value for the university. He's also lived this history — as a child, his father farmed 320 acres in Knox County.

“It was just not an operation that allowed me to come back to (farm),” Johnson said. “You have to adapt.”

The trend accelerated during the 1980s farm crisis, as more and more farmers sold their land amid plummeting cash crop prices and depreciating farmland value.

In the aftermath, some financial management companies began to specialize in farmland investment, wrote Madeleine Fairbairn, a University of California, Santa Cruz, sociology professor in the book “Fields of Gold,” a history of the financialization of farmland.

The reforms rolled out by the federal government in the next decade provided a cushion for ag producers. It also reduced the risk of farmland as an investment, Johnson said.

Buying up farmland as an investment vehicle picked up steam after the 2008 financial crisis, Fairbairn wrote. Many investors now see it as a hedge against inflation.

In 1982, Nebraska voters passed a law that reined in corporations' ability to own ag land. But that law, known as Initiative 300, was struck down by a federal circuit court in 2007.

Nebraska now has virtually no restrictions on corporate ownership of land — fewer restrictions than the seven other states across the Midwest and Great Plains that at one point passed an Initiative 300-like law, said Anthony Schutz, a UNL professor specializing in agricultural law.

“Absent some legislative change or something of that nature, I think the investor pool is gonna continue,” said Pavelka.

These investors often hire local helpers — sometimes farm managers like Pavelka — or rent out the ground.

It's common for beginning farmers to start by renting land. But for Alward, it's proven a challenge to find the 150 acres he's looking to lease next year for his dozens of cattle and pigs.

Having pastures next to each other would save him serious time. Owning those pastures, instead of renting, would over the long haul save him money.

His dilemma is one understood by many younger American farmers.

About 10,000 young farmers and ranchers surveyed nationwide reported owning slightly more than 80 acres on average, according to a 2022 survey.

A little more than half are actually owners, while just less than half work as managers or hired hands on someone else's operation.

And owning land is key, in large part because it helps agricultural producers withstand market turbulence, said Hassebrook, who was a lead proponent of Initiative 300.

“Even if you're not super wealthy, that ownership of land that's partially somewhat paid off becomes an enormous value to you in weathering the dry years and low price years,” he said.

Top farmland buyers by acreage

It can pay for a lifetime or several. Rangelands used for grazing are often bought up in large chunks and added to existing ranches, Johnson said. That land may stay in a family for generations.

“As you have larger-sized holdings, the incidence of available land to buy and the ownership transition becomes less and less,” Johnson said.

Burnett, for example, isn't looking to sell anytime soon, even though sale prices are high.

His Wyoming-based operation uses the 28,000-acre ranch land in west-central Nebraska's Keith and Arthur counties to graze 1-year-old cattle from spring till fall.

The Sandhills is in a different weather belt than much of his other land and thus offers him some drought protection if it's dry in eastern Colorado or eastern Wyoming.

Technology is another big reason acquiring large amounts of Nebraska land makes sense for his business, he said.

Forty years ago, hauling animals 130 miles would have been unimaginable. Now he receives text alerts on his phone when his livestock water tanks at the ranch run dry.

The ranch land he bought was the right size available at the time, he said.

He wants to make sure he's building an enterprise with opportunities for the next generation of ranchers in his family.

“We're long-term players,” said Burnett. “For the cards that I can see today, I would say we'd be more apt to be on the buyer side than on the seller side.”

He doesn't see himself as an absentee owner, living just across the Wyoming border and visiting often.

“If I pulled up to a neighbor's house in Henry, Nebraska, or Keystone, Nebraska, or wherever in Nebraska, I would like for my neighbors to know who I am, and be glad that I pulled in,” he said.

The change in Nebraska's farmland ownership structure, experts say, can have a long-lasting impact on the environment, food production, local economies and the lives and livelihoods of rural residents.

The rise of financial investors, the aging of old farmers who rent out land, and farm family heirs who keep their family land but don't farm anymore, mean that many of today's agricultural landowners aren't personally doing the farmwork.

Sharon Thernes, 85, farms with her family near Hooper, Nebraska. Thernes and her late husband, Louie Thernes, start farming in the late 1950s. Photo credit: Ryan Soderlin for the Flatwater Free Press

Photos of Sharon and Louie from 2010 hang in her home. Photo credit: Ryan Soderlin for the Flatwater Free Press

The driveway of Sharon Thernes' home, the longtime headquarters of her farm near Hooper. Thernes' grandson now runs the day-to-day operations of the family farm. Photo credit: Ryan Soderlin for the Flatwater Free Press

In some eastern Nebraska counties, more than half of the farmland is titled to an absentee owner, often farm family heirs and investors, Johnson said.

The latest U.S. Department of Agriculture (USDA) land ownership survey indicates that a third of Nebraska agricultural landlords have never farmed.

The growth of absentee owners is not unique to Nebraska. In neighboring Iowa, 27% of agricultural land purchases last year were connected to an investor buyer — including local farmers and non-local businesses — up from 21% in 2019, according to an Iowa State University survey.

These absentee owners do contribute to the local property tax base. But they don't live in the community, go to the grocery store or send their children to the local school.

Instead, they extract value from the land, and send the profits elsewhere, which “can distort local economies and impair the health of rural communities,” said Jessica Shoemaker, a UNL law professor.

“When an owner is instead an investor making decisions in a boardroom in Chicago or New York, we worry that those decisions might miss some of the local complexity and may not care as much about local impacts,” Shoemaker wrote in an email.

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A higher rate of absent agricultural landowners in an area corresponds to a lower local employment rate, a 2021 USDA report found.

The USDA report identified no association between soil health and absentee owners. But some also worry that they aren't the best stewards of Nebraska's soil and water.

Absentee landowners have an opportunity to push for best farming practices, Johnson said.

“I think a lot of these people are very professionally oriented and probably also focusing on long-term good stewardship,” he said. “And sometimes even maybe putting a little pressure on those who farmed the land to (say) 'Hey, can we be sure that we are not diminishing our resource base?'”

While it's often harder for even mid-sized farmers to buy land, it's not impossible.

In 2020, Hooper farmer Sharon Thernes took out loans to buy 230 acres of land she had rented for more than 50 years.

Thernes' grandson Tyler now runs the day-to-day operations on her farm. He also purchased 74 acres of land for himself three years ago.

Thernes has spent a lifetime heading out on the family farm “at two o'clock in the morning to see if the cow is having her calf and carry it to the house to warm it up.”

She's not optimistic that her family will retain that full control — that independence — for many more generations to come.

“Eventually … it will be huge conglomerates that are owning the farm,” Thernes said.

“And our grandchildren will be employees.”

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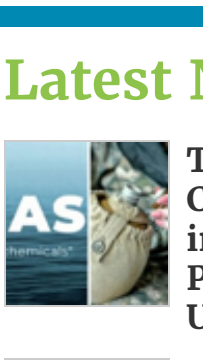
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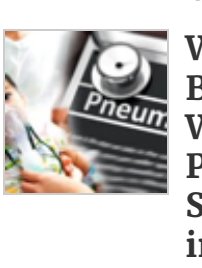
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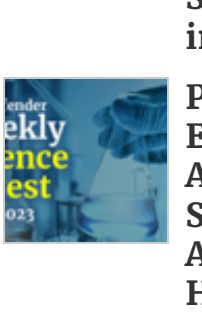
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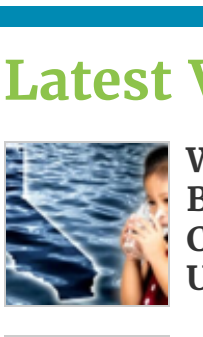
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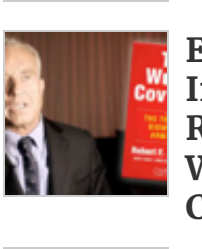
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